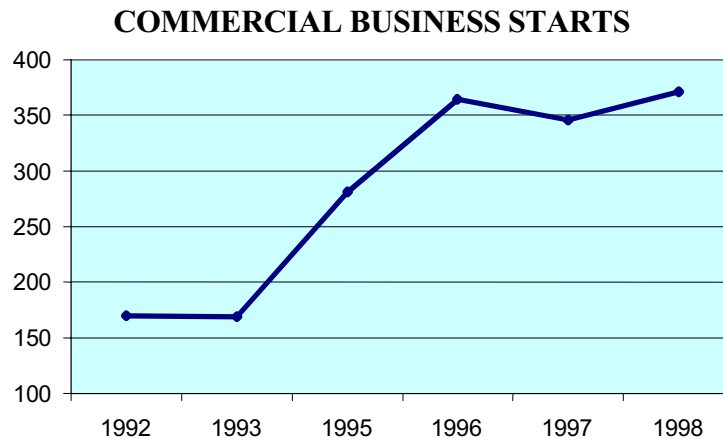


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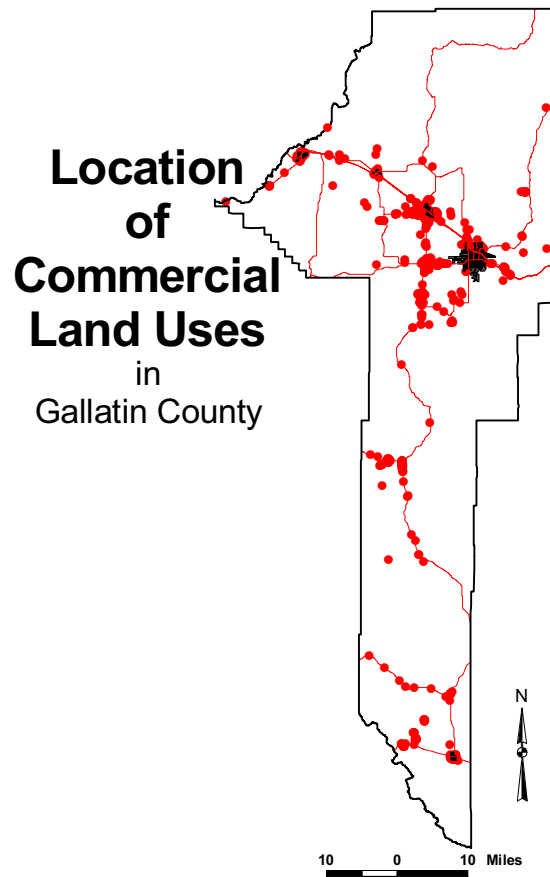
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1.2.5 Commercial Land Use in Gallatin County

Current Situation: Along with rapid residential development, new commercial businesses in Gallatin County have increased over 100% since 1992, from 170 new starts to 371 in 1998.²⁵



Source: Montana Dept. of Labor and Industry, Office of Research and Analysis



Gallatin County Planning Department
April 2001

²⁵ Department of Labor and Industry, Office of Research and Analysis

RESOURCE DOCUMENT 1: GALLATIN COUNTY PROFILE

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1.3 EMPLOYMENT AND INCOME IN GALLATIN COUNTY.

Average annual employment in Gallatin County increased by 57% between 1990 and 1999—far exceeding the county’s 26% population increase.²⁶ Due to the large number of new jobs, the unemployment rate has been hovering at record lows. Although per capita personal income in Gallatin County is higher than the state average and continues to rise steadily, it is significantly less than the national average. The high percentage of interest, rent and dividend income, coupled with rapidly expanding service and construction industries, also distinguishes Gallatin County from other local Montana economies.

Livability and amenities in Gallatin County have combined with record growth rates, advanced technology, transportation and communication to create an attractive environment for new businesses, investors and in-migration. These economic and social trends have created the basis for a unique urbanizing economy developing in an essentially rural Gallatin County, Montana.

1.3.1 Total Personal Income by Industry 1975 to 1997

Current Situation: For the purposes of this section, the service sector includes finance and real estate as well as income from transportation and utility services, while the agricultural industry includes farming, forestry and agricultural services.

The three largest producers of personal income in Gallatin County are the non-labor sector, the service sector and the government sector, while agriculture and resource extraction produce the least amount of income. In 1997, the non-labor sector contributed the most income at 35% of the total personal income, while services provided 26% and government 15%.²⁷ Although these sectors of the economy provided the large majority of income in the county, the fastest growing contributor to total personal income is the construction industry, growing by 118% between 1990 and 1997.²⁸

The non-labor sector consists of transfer payments for retirement, benefits, disability and unemployment in addition to dividends, investment income and income through property ownership and rental units. Compared with other local Montana economies, non-labor income in Gallatin County is not distinguished by its share of the total income, but by its significant proportion of dividend, interest and rental payments. Possibly related to the high growth rate, increased migration, aging population (section 1.1), and booming development and housing costs (section 1.4), the components of non-labor income in Gallatin County appear more analogous to major national metropolitan areas than to other Montana communities.

²⁶ Montana Department of Labor and Industry, Research and Analysis Bureau (ES-202 program).

²⁷ U.S. Bureau of Economic Analysis, REIS

²⁸ U.S. Bureau of Economic Analysis, REIS; calculated using 1997 dollars, adjusted by the Sonoran Institute

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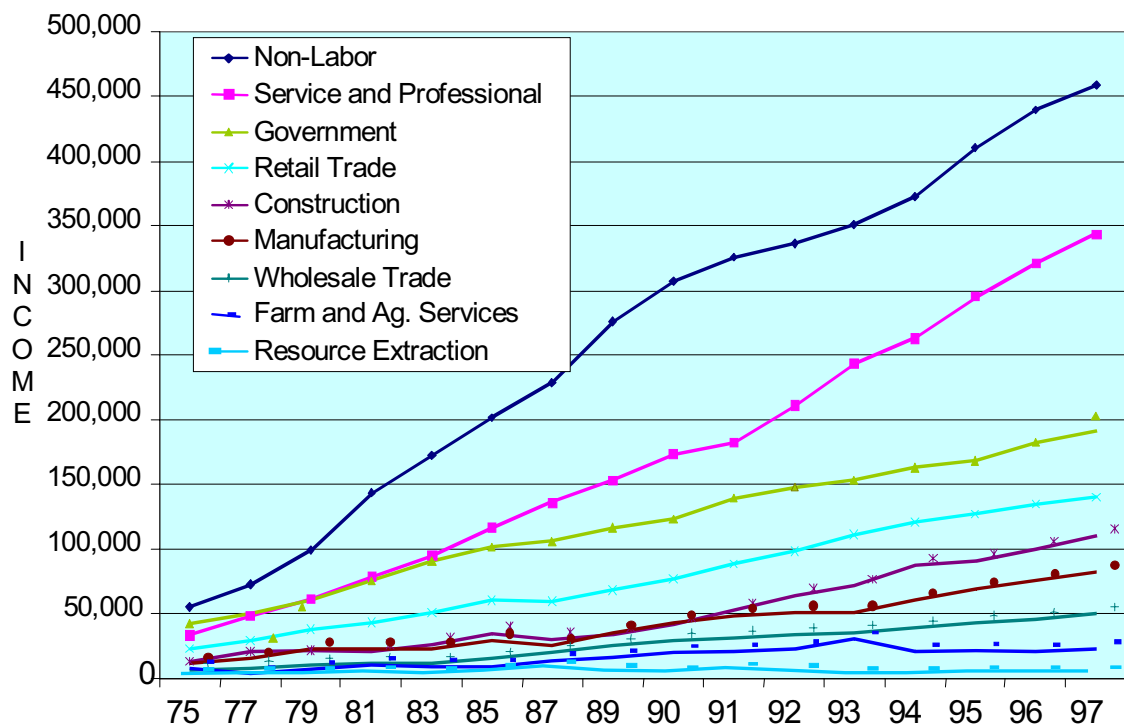
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While the components of non-labor income in Gallatin County demonstrate similarities to major national metropolitan areas, non-labor income as a percent of total personal income is more comparable to larger Montana communities (See Table 1). The result is a unique economic distribution and income flow in Gallatin County.

1997 Components of Non-labor Income in Select Counties²⁹

County	Major City	Total Income from Non-labor	Non-labor Income from Dividends, Interest & Rent
Gallatin	Bozeman	35%	62%
Park	Livingston	46%	52%
Missoula	Missoula	34%	50%
Cascade	Great Falls	40%	46%
Yellowstone	Billings	36%	51%
King (WA)	Seattle	28%	63%
Ada (ID)	Boise	28%	61%
Boulder (CO)	Boulder	27%	69%
Salt Lake (UT)	Salt Lake City	26%	55%

PERSONAL INCOME BY INDUSTRY³⁰



Source: Bureau of Economic Analysis, REIS; Planning Department tabulations

²⁹ Calculated from the US Bureau of Economic Analysis, REIS

³⁰ Income not adjusted for inflation

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1.3.2 Gross State/County Product

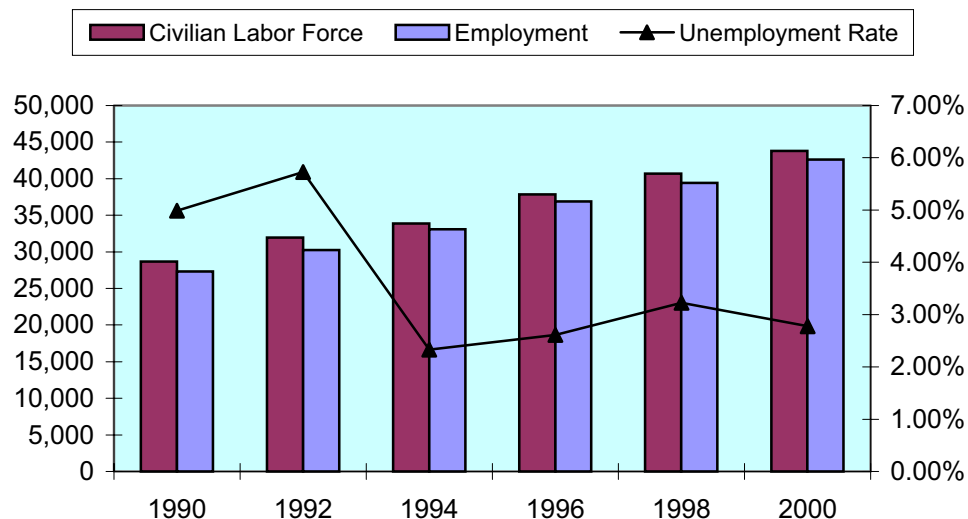
Current Situation: Montana’s Gross State Product was measured at \$19.6 billion in 2000, up from \$13.8 billion in 1982.³¹ A total \$1.59 billion of goods and services were produced in Gallatin County in 2000, up from \$0.829 billion in 1982. Comparably Gallatin County produced \$24,900 per capita, while the State of Montana produced \$21,757.³²

The “basic” wealth-creating industries of mining and manufacturing became more important in locally, growing from a 6% share the local economy to 11% in Gallatin County, while growing from 10% to 12% of the state economy. Agriculture and related services declined from 7% to 4% in Gallatin County, compared to a decline from 6% to 5% state-wide. Trade, which typically circulates local dollars created by these basic industries, accounted for 23% of the local economy in 2000, up from 14%, compared to the state-wide share of 19% up from 14% in 1982. Government’s share of the local economy also decreased from 25% to 16%.

1.3.3 Labor Force and Employment Over Time

Current Situation: Unemployment in Gallatin County has been reduced by half since 1980. In 1999, 40,652 local residents were employed from a total civilian labor force of 41,852, bringing the unemployment rate to 2.9%, far below the state rate of 5.2%, as well as below neighboring Park County (5.4%) and Madison County (4.4%).³³

EMPLOYMENT 1990-2000



Source: Montana Dept of Labor and Industry, Local Area Unemployment Statistics

³¹ UMT Bureau of Business and Economic Research *2001 Economic Outlook Seminar*, in “chained” 1996 dollars.

³² Gallatin County Planning Department Calculation

³³ Montana Dept of Labor and Industry, Research and Analysis Bureau, *Local Area Unemployment Statistics*, employment by place of residence.